

What is a BID?

“BID” is an acronym for Business Improvement District.

A business improvement district is a geographically defined area within the City of Los Angeles, in which services, activities, and programs are paid for through a special assessment which is charged to all members within the district in order to equitably distribute the benefits received and the costs incurred to provide the agreed-upon services, activities, and programs.

What do BIDs do?

A Business Improvement District can provide any service that is “above and beyond” the services provided by the City of Los Angeles. Some services provided by LA City BIDs are:

- Private Security Patrols
- Sidewalk cleaning



- Special events
- Marketing

- Maintenance of improvements provided by the Community Redevelopment Agency



A Quick Guide to Business Improvement Districts:

BIDS 101

Developed and provided by:

The City of Los Angeles
Office of the City Clerk

Neighborhood and Business
Improvement District Division

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How do BIDs form?

By law, it is a multiple step process. But both Business-based and Property-based BIDs are formed through City Council by adoption of an Ordinance. Both BID formations require a public hearing and all stakeholders are notified by mail. Their formation is based on the majority

Where else are there BIDs?

BIDs exist all over the United States. Every major City in America has BIDs. San Francisco, San Diego, and New York City all have multiple BIDs. But BIDs exist in small cities too.

Where are BIDs located within Los Angeles?

Los Angeles has 42 operating BIDs and a few more in forming stages. BIDs are currently in major commercial areas of Downtown, Hollywood, the Westside, the Harbor, and the San Fernando Valley.

Can residential areas have BIDs?

Under current law, BIDs are for commercial areas only. Only mixed-use areas (like condo buildings near commercial areas) might have residential properties in a BID.

Who pays for these services?

Either the Business Owner or the Property Owner, depending on how the District is created.

Can't these services be done without forming a BID?

YES! Organizations can do most of these services through volunteers or by collecting volunteer contributions to provide services without forming a BID...BUT a BID makes your District official, more stable for applying to grant funding, and creates a fair and equal method of collecting financial support from everyone in the area. In a BID, everyone pays and everyone has a fair share in the organization. It takes an entire community to build a BID.

What is a typical assessment?

By law, the amount of each assessment is equal to the services being provided. The more services, or more frequent they are provided, the higher the assessment.

How are assessments Paid?

Assessments on property are paid through the annual Property Tax Bill mailed by the L.A. County Assessor's Office. Assessments on business Owners are billed by the Office of the City Clerk

Isn't the City responsible for doing these services?

Legally, BIDs cannot replace city services.

The City removes graffiti. Why should I pay a BID to do more?

The City of Los Angeles has limited funding to provide certain services. Services, like graffiti removal, are provided to the entire city as funding is available; And, there isn't enough graffiti funding to cover all the graffiti in Los Angeles. BIDs can choose to provide a graffiti service to clean up what the City can't clean.

I'm in Encino and don't want to pay to clean Downtown.

You won't. By law, the money collected by a BID can only be spent within the BID.

Who controls these BIDs?

Each BID is controlled by the stakeholders of each BID. A Board is formed to run the BID and is operated through a contract with the City.

Does the City monitor BIDs?

The Office of the City Clerk holds a contract with every BID and monitors their operations. Through reporting and regular audits, they ensure that each is operating correctly.